



Department of Energy
Washington, DC 20585

Temporary Emergency Natural Gas Purchase and Sale Order

By Memorandum dated January 19, 2001, the President authorized and directed me to exercise authorities under the Natural Gas Policy Act of 1978, 15 U.S.C. 3361 through 3364, and the Defense Production Act of 1950, 50 U.S.C. App. 2061 *et seq.*, to assure the continued availability of natural gas to high-priority uses in the central and northern regions of California. The President found and declared, pursuant to title III of the Natural Gas Policy Act of 1978 and section 607 of the Public Utility Regulatory Policies Act of 1978, 15 U.S.C. 717z, that a natural gas supply emergency exists in those regions. He found that this emergency endangers continued supply of natural gas to high-priority uses, including the generation of electric power. He further found that natural gas supplies within those regions of California are scarce, critical and essential within the meaning of the Defense Production Act of 1950, and that assuring natural gas supplies to those regions of California is necessary and appropriate to maximize domestic energy supplies and to promote the national defense. A copy of the President's Memorandum to me is attached (Attachment A). Section 304 of the Natural Gas Policy Act, 15 U.S.C. 3364, and sections 705 and 706 of the Defense Production Act, 50 U.S.C. App. 2155 and 2166, may be relied on as appropriate to ensure compliance with this Order regarding the natural gas supply emergency in California. Based on the President's Memorandum and the authorities previously vested in the Secretary of Energy, I take the following actions:

ORDER

Pursuant to section 302 of the Natural Gas Policy Act of 1978 and sections 101(a) and (c) of the Defense Production Act of 1950, it is hereby ordered that:

1. Pacific Gas and Electric Company (PG&E) is authorized to make emergency purchases of natural gas from the suppliers listed on Attachment B to this Order to meet the high-priority uses on its system as that term is defined in title III of the Natural Gas Policy Act of 1978 and in the President's Memorandum.
2. The suppliers listed in Attachment B to this Order are directed to sell natural gas to PG&E under terms consistent with any contractual arrangements in existence between PG&E and the suppliers listed in Attachment B (including arrangements between PG&E and suppliers' affiliates) at any time within the past 30 days, but subject to the conditions that (a) no accelerated payment, prepayment or other extraordinary payment terms may be imposed or invoked by any supplier, and (b) no termination by any supplier shall be permitted during the term of this Order without the agreement of the parties or the approval of the Secretary.
3. If any supplier listed in Attachment B and PG&E fail to agree on the terms of their contractual arrangement for the purchase, sale, and delivery of natural gas under this Order, the Secretary will set the terms of such an arrangement.



4. Natural gas supplies purchased by PG&E pursuant to this Order may be used only for sale by PG&E for high-priority uses, including the generation of electric power, and cannot be sold by PG&E into the wholesale market.
5. Both PG&E and the suppliers listed in Attachment B shall report weekly to me the prices and volumes of any natural gas delivered, transported, or contracted for under this Order during the previous week.
6. This Order is effective immediately and expires at 3:00 a.m., EST, January 24, 2001.

Issued in Washington, D.C., on January 19, 2001.

A handwritten signature in cursive script, reading "Bill Richardson".

Bill Richardson
Secretary of Energy

Attachments

Pacific Gas and Electric Company
Gas Procurement
NATURAL GAS SUPPLIERS

Counterparty	Address	City	State	Zip	Contact Names	Fax #'s
ADONIS ENERGY CORPORATION	6565 Hollister, #1220	HOUSTON	TX	77040	MIKE NEWSOME	713 460-9086
AEP ENERGY SERVICES, INC	5535 SAN FELIPE, SUITE 2000	HOUSTON	TX	77056	DAVE DUNN	614 324-4591
AL TRADE TRANSACTION, L.L.C.	1221 LARMAR STREET, SUITE 950	HOUSTON	TX	77010	DAVID HANSON	713 844-7699
AVISTA CORPORATION	210 W. NORTH RIVER DRIVE, #610	SPOKANE	WA	99220-3727	ROBER GRUBER	509 495-8766
BP ENERGY COMPANY	P.O. BOX 3092, WL3	HOUSTON	TX	77253-3092	JAMES TAYLOR	281 366-4932
CALPINE FUELS CORPORATION	6700 KOLL CENTER PARKWAY #200	PLEASANTON	CA	94566	BRAD BARNDIS	925 600-8925
COAST ENERGY GROUP, A DIV CORNERSTONE PROP.	1600 HIGHWAY 6, SUITE 400	SUGARLAND	TX	77478	BRICE DILLE	281 565-4200
COASTAL MERCHANT ENERGY, L.P.	FIVE GREENWAY PLAZA	HOUSTON	TX	77046-0502	DAVID ARLEDGE	713 877-7305
COOK INLET ENERGY SUPPLY, L.L.C.	10100 SANTA MONICA BLVD., SUITE 2550	LOS ANGELES	CA	90067	GREG CRAIG	310 557-1176
CORAL ENERGY RESOURCES L.P.	2 HOUSTON CENTER, 909 FANNIE ST., SUITE 700	HOUSTON	TX	77010	STEVE WIDNER	713 767-5455
DUKE ENERGY TRADING AND MKTG LLC	4 TRIAD CENTER, SUITE 1000	SALT LAKE CITY	UT	84180	SCOT ALLEN	801 531-5470
DYNEGY MARKETING & TRADE	1000 LOUISIANA, SUITE 5800	HOUSTON	TX	77002	CHUCK WATSON	713 507-6888
EL PASO MERCHANT ENERGY - GAS, L.P.	P.O. Box 2511	HOUSTON	TX	77252-2511	WILLIAM WISE	713 420-6030
ENRON NORTH AMERICA CORP.	P.O. BOX 4426	HOUSTON	TX	77252-4426	JEFF SKILLING	713 646-8381
KEYSPAN ENERGY	100 EAST OLD COUNTRY ROAD	HICKSVILLE	NY	11801	CHARLES A. DAVERIO	516 545-5467
ICC ENERGY CORPORATION	302 N. MARKET ST., SUITE 500	DALLAS	TX	75202-1846	KARL BUTLER	214 744-2206
J. ARON & COMPANY	85 BROAD STREET, 5TH FLOOR	NEW YORK	NY	10004	HENRY PAULSON	212 902-0633
ONEOK ENERGY MKTG. & TRADING CO., L.P.	P.O. BOX 2405	TULSA	OK	74102-2405	PATRICK McDONIE	918 585-9254
PG&E ENERGY TRADING CORPORATION	1100 LOUISIANA, SUITE 1000	HOUSTON	TX	77002	SARA BARPOULIS	301 280-6375
RELIANT ENERGY SERVICES, INC.	P.O. BOX 4455	HOUSTON	TX	77210-4455	STEVE LEDBETTER	713 207-3169
SEMPRA ENERGY TRADING CORP.	58 COMMERCE	STAMFORD	CT	06902	DON FELSINGER	619 696-4611
SOUTHERN COMPANY ENERGY MARKETING L.P.	1155 Perimeter Center West, Suite 130	ATLANTA	GA	30338-5416	A. WILLIAM DAHLBERG	404 506-0455
TEXACO NATURAL GAS	1111 BAGDY ST.	HOUSTON	TX	77002-0200	GARY UNDERWOOD	713 752-7841
TXU ENERGY TRADING COMPANY	1717 MAIN STREET, SUITE 2000	DALLAS	TX	75201	EARL NYE	215 812-7077
WESTERN GAS RESOURCES, INC.	12200 NORTH PECOS STREET	DENVER	CO	80234-3439	BRIAN JEFFRIES	303 457-9748
WILD GOOSE STORAGE INC.	2780 WEST LIBERTY RD.	GRIDLEY	CA	95948	RICK DANIEL	403 266-8180
WILLIAMS ENERGY MKTG & TRADING CO.	ONE WILLIAMS CENTER, 19TH FL., DEPT. 558	TULSA	OK	74172	KEITH BAILEY	918 573-3905

THE WHITE HOUSE
WASHINGTON
January 19, 2001

MEMORANDUM FOR THE SECRETARY OF ENERGY

SUBJECT: Electric Energy Shortage in California

There is a current electric energy shortage in California that also threatens the continued availability of natural gas to consumers in the central and northern regions of California. Continuity of supply in those regions of California is dependent on the continued ability of the natural gas distributor in those regions to acquire and transport natural gas to all consumers throughout those regions.

Therefore I find and declare, pursuant to title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361 through 3364) and section 607 of the Public Utility Regulatory Policies Act of 1978 (15 U.S.C. 717z), that a natural gas supply emergency exists in those regions, and that exercise of the emergency authorities there provided for is reasonably necessary to assist in meeting natural gas requirements for high priority uses. I find that this emergency endangers continued supply of natural gas for high priority uses, which I determine under the Natural Gas Policy Act to include use for generating electricity. I also find that natural gas supplies within those regions of California are scarce, critical, and essential within the meaning of the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), and that assuring maintenance of natural gas supplies to those regions of California cannot reasonably be accomplished without use of these authorities and is necessary and appropriate to maximize domestic energy supplies (including electricity) and to promote the national defense.

Accordingly, you are authorized and directed as follows:

1. To exercise all the authorities previously delegated to the Secretary of Energy, without consultation with or prior approval of any other officer, to act in accordance with the findings herein pursuant to title III of the Natural Gas Policy Act of 1978 and section 607 of the Public Utility Regulatory Policies Act of 1978;

2. To exercise as to continuity of supplies of natural gas to the central and northern regions of California all authorities under the Defense Production Act of 1950, in accordance with the findings of scarcity, essentiality, and criticality made herein, pursuant to Executive Order 11790, as continued in force by Executive Order 12919, without the prior approval of any other officer, notwithstanding any procedural provisions generally specified in regulations that ordinarily would govern the Secretary of Energy's invocation of the authorities under the Defense Production Act of 1950, including in particular those under section 101(c) thereof (50 U.S.C. App. 2071(c)).

You are authorized and directed to publish this memorandum in the Federal Register.

William G. Clinton